



Illinois Department of Insurance

JB PRITZKER
Governor

DANA POPISH SEVERINGHAUS
Acting Director

TO: ALL LICENSED PROPERTY AND CASUALTY INSURANCE COMPANIES SELLING HOMEOWNERS INSURANCE

FROM: Dana Popish Severinghaus, Acting Director *dps*

DATE: April 09, 2021

RE: Company Bulletin #2021-04 - Certificate Regarding Payment of Taxes and Expenses on Property Sustaining Loss

The purpose of this Bulletin is to remind carriers of a requirement under the Illinois Insurance Code specifically for homeowners coverage as outlined under Section 397.1 "Certificate regarding payment of taxes and expenses on property sustaining loss":

It shall be unlawful for any company transacting insurance business in this State to pay a claim of an insured property owner for loss by fire or explosion to a structure located in this State where the amount recoverable for loss to the structure under a policy exceeds \$25,000, until the insurance company receives the certificate required by this Section. 215 ILCS 5/397.1(a)

Through a review of market conduct examinations, the Department has noticed a lack of compliance with this statutory requirement. Attached to this Bulletin is an example "certificate" for company use. Please note that this is an example. Companies may use their own form as long as it contains the information requested in the example.